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THE END OF THE MEXICAN DOLLAR.

We of to-day are witnessing the rapid extinction of a coin which for a very considerable period was more widely used than any other known to history. Within fifty years the silver peso issued from the Mexican mints was current throughout the two American continents, circulated in the West Indies and in most of the Islands of the Pacific, and was the familiar means of payment among all of the Asiatic markets from Vladivostock to Singapore. Its predecessor, issued when Mexico was still a Spanish colony, had enjoyed throughout the eighteenth century, and much of the seventeenth, a similarly wide currency.

From the Mexican mints, the first of which was established in 1535, emanated the pesos, or "pieces of eight," which with their divisional pieces were almost the only coins in use among the English colonists of North America. From the same venerable source naturally came the coins used in Florida, Cuba, San Domingo, Porto Rico, and the other Spanish Antilles. Even before 1600 it is said that

they circulated in the Philippine Islands and had become familiar at such Chinese ports as Canton, Ningpo, and Amoy.[1] During three centuries these coins under one guise or another have been pouring out of the Mexican mints and distributing themselves over the two hemispheres. They have played a long and important part in the developing relations between East and West, and at one time or another they have been employed by men of nearly every color and race. To-day, however, they seem destined to disappear completely from international commerce.[2]

The coins of but few other countries have ever attained any extended international currency, and the coins of Austria alone are at all comparable in this respect to those of Mexico. The Maria Theresa thalers, instituted in 1751 and reissued continually since then with the eighteenth-century designs and dates, have been commonly current in Egypt, Abyssinia, and the Soudan, and are known in the East Indies and the Extreme Orient. They have made "the male profile and the elegant blazonry of the great empress more familiar to the black races and to the yellow races than to the white,"[3] but even these dollars of Austria have not conquered many markets when compared in range with the coins of Mexico.

The persistence and universality of the Spanish dollar as a coin of commerce is not difficult to explain. Until the opening of silver mines in our own West some forty years ago, nearly all of the silver used in the civilized world had come from Mexico and Spanish America. More

[1] Robert Chalmers, *A History of Currency in the British Colonies*, London, 1893, p. 371. *Cf.* pp. 391-394.

[2] Upon the general subject see J. D. Casasús, *El peso Mexicano y sus rivales en los mercados del extremo oriente*, Mexico, 1903.

[3] *L'économiste français*, September 21, 1895, p. 375. See also the *Geschichte des Maria-Theresien-Thalers*, by Karl Pecz and Josef Raudnitz (Vienna, 1898). These writers estimate the coinage of the Maria Theresa dollars between 1751 and 1897 at 133,200,695. In the years 1898-1903 13,662,700 such dollars were issued from the central mint in Vienna.

than four-fifths of the silver estimated to have been produced between 1493 and 1850 had been taken from the mines of these regions.[1] It is not strange, therefore, that the Spanish colonies of America, with their unexampled resources of money material and their well-equipped mints, came to supply so many countries with means of exchange. That this condition should have come to be three hundred years ago is the more understandable if one recalls the wide trade relations of Spain at that time, and the fact that the Spanish monarchs of the sixteenth century were masters of both of the Indies and controlled the most extensive empire that the world had ever known. Nor is it strange that these coins, once established, have held their own, when one remembers that their standard of weight and fineness has suffered comparatively few alterations since their institution. For a long period, when the neighboring governments were outdoing each other in the way of debasement, the Spanish coins remained intact, and their exceptional goodness caused them to be the more eagerly sought abroad and to pass in a steady flow across and beyond the Spanish boundaries. Until the beginning of the eighteenth century the "pieces of eight" underwent no serious debasement, with the exception of certain local issues, such as the Peruvian coins, which suffered "scandalous falsification" about the year 1650, and were accordingly denied currency not only in the British colonies, but in Spain itself. During the eighteenth century their content was only twice slightly tampered with. In 1728 they were reduced in millesimal fineness from 930^5 to 916^6 and at the same time were lowered in weight by about $1\frac{1}{2}$ per cent.; but this was os-

[1] The total production of silver from 1493 to 1850 is estimated by Soetbeer as 149,826,000 kilograms, of which Mexico is credited with 63,657,000, Bolivia with 35,064,000, and Peru with 29,432,000. Ad. Soetbeer, *Edelmetall-Produktion und Werthverhältniss zwischen Gold und Silber*. Gotha, 1879. Further estimates based upon Soetbeer's *Edelmetall-Produktion* (1879) and his *Materialien* (1886) are given in Table No. 1.

tensibly to pay for the increased cost of making the more elaborate coins then struck. Again in 1772, when a great recoinage was accomplished, their fineness was reduced to 902^7, without alteration in weight.[1] The standard both of weight and fineness adopted in 1772 has been adhered to ever since, and remains at the present time that of the dollar of the Mexican Republic, which is by far the most important surviving representative of the old Spanish "peso." In all, between 1497 and our own time, according to Professor Sumner, the dollar as a world coin was reduced by only 5.9 per cent.[2]

Since the end of the seventeenth century the output of the Mexican mines has continuously exceeded the combined product of all of the other Spanish-American States, and Mexico has held the primacy among all the silver-producing countries of the world, her position in this regard having been contested by the United States only within the last thirty years. Considerably more than a third of all the silver extracted from the earth since the discovery of America has come from her mountain slopes alone,[3] and throughout this long period silver has formed her principal and, for most of the time, virtually her only article of export. As recently as the fiscal year 1890-91 the silver exports of Mexico were reported as amounting to more than 81 per cent. of her total export trade, al-

[1] Robert Chalmers, *A History of Currency in the British Colonies*, p. 392.

While the legal standard has remained comparatively stable, the law has tolerated an excessive variation from the standard, which has sometimes been taken advantage of at certain of the Mexican mints. Particular issues have thus proved of inferior assay, although within the provisions of the law, and have been so discredited in foreign markets as only to circulate at a discount. This was for a long time the case with the pesos marked G. which indicated that they had been coined in Guadalajara. See J. L. Riddell, *A Monograph of the Dollar*, New Orleans, 1845. This work contains pictures of 425 varieties of dollars. See also Chalmers, *op. cit.*, pp. 393-394.

[2] W. J. Sumner, "The Spanish Dollar and the Colonial Shilling," *American Historical Review*, iii. p. 617.

[3] Using the data collected by Soetbeer and Lexis and the directors of the mint in France and the United States, I estimate that between 1493 and 1902 the world's production of silver aggregated about 284 millions of kilograms,

though to-day they represent less than 40 per cent. of that total. Nor has this silver been exported mainly in the form of bullion or of plate or of manufactured ware. Until quite lately most of it has passed through the Mexican mints, and has left the country in the form of coin. In the appended table[1] one can observe how recent has been the change in these conditions. In 1872–73 more than 93 per cent. of the silver exported had been coined; in 1882–83, almost 81 per cent.; in 1892–93, about 49 per cent.; but in 1902–03 only 27 per cent.

That the situation is rapidly changing to-day is evident from these figures, and admits of no doubt. At present Mexico's exports of silver bear a far less important relation to her total trade than ever before, and her export of coin exhibits even more rapidly dwindling proportions. On many accounts the day now seems not far distant when the field of activity for the Mexican dollar will be limited to the Mexican confines, and it is confidently predicted that the outward flow of coins will soon cease altogether, some even apprehending that it will be reversed, and that a back flow will overwhelm the country, unless the Mexican government takes measures of protection against such an event. In the following pages I shall sketch the conditions and occurrences in different countries from which this change originated and through which it is being brought to pass.

We may begin with the

United States.

The North American colonists, as has been said, seldom saw any other than the Spanish coins. In the English settlements, men naturally continued for a long time to

and that of this total at least 107 million kilos came from Mexico. Of the rest the greater part came from Spanish South America,—about 43 million kilos from Bolivia, the seat of Potosi, and about 33 millions from Peru. The United States has contributed about 44 millions, almost exclusively during the past thirty years.

[1] Table No. 2.

reckon in the traditional terms of pounds, shillings, and pence; but they possessed scarcely any coins of these denominations, and, when coin payments occurred, they were usually made with "pieces of eight" and "reals." In the course of time the word "dollar" gradually superseded the older terms "peso" or "piece of eight" in referring to these coins, and in the colonial records of the eighteenth century, one frequently finds accounts and due bills explicitly reckoned in dollars.[1] During the War of Independence, when the Federal Congress issued bills of credit, they made them explicitly payable in the Spanish dollars; and, when a little later the leaders of the new republic set about the establishment of a national currency, Jefferson only expressed the common opinion in declaring that among the various currency units the dollar was "the most familiar of all to the minds of the people."[2] It was generally agreed, therefore, to do away altogether with the old system of keeping accounts in pounds, shillings, and pence; and on July 6, 1785, Congress declared the dollar to be the ideal monetary unit for the United States. The following year, on August 8, 1786, they decided that the American government should itself issue a coin modelled after the Spanish milled dollar as the same was then current; and adequate provision for its coinage was at length voted in the act of April 2, 1792, establishing the national mint.

Those who framed this act undoubtedly expected that the new dollar of the United States would rapidly supersede its prototype upon this continent, and that the Spanish coin after a brief interval would no longer have a place in our circulation; but for several reasons this situation was not achieved until sixty-five more years had

[1] See, for example, *Acts and Resolves of the Province of the Massachusetts Bay*, vol. iii. pp. 531, 555, 562, 757.

[2] Jefferson's notes on the establishment of a money unit and of a coinage for the United States, written in 1782 or 1873, and printed in the *Report of the International Monetary Conference* of 1878, pp. 437–443.

elapsed. From the opening of the mint in 1793 until 1857 only 2,675,550 silver dollars were issued, making an annual average of but 41,806 dollars. As many of these passed quickly out of the country, the Spanish coins and later those of the Mexican Republic continued to form an integral part of our currency during all of this period.

The reasons for this situation are well known, and may be stated briefly. Congress in 1792 had authorized the issue of an American dollar, of weight and fineness corresponding to the Spanish dollar; but, through an error in assay, it was decided that the Spanish dollars contained only 371¼ grains of pure silver, when in reality they averaged of greater weight.[1] Nevertheless, this had been prescribed in the act as the silver content of the American coins, and with such content the new coins were struck. As the dollars began to be issued, it was soon discovered that they did not enter into circulation, and that a regular profit was being obtained from their export. Being fresh and bright, they were readily accepted in the West Indies, and there they could be exchanged for the old but heavier Spanish dollars, which in turn were imported and presented to the mint for coinage. The expensive operations of the mint, it soon appeared, were resulting in no increase of our national currency, but were merely a source of profit to money dealers. Jefferson, upon learning of this in 1806, at once ordered a suspension of the coinage of the dollar pieces, and for a continuous period of thirty years thereafter not another silver dollar was issued from the United States mint. Nor was the situation materially altered with the resumption of the coinage of the dollar in 1836. The act of 1834 had in the mean time established

[1] Dr. H. V. Linderman says that "the content of pure silver should have been within a fraction of 377¼ grains." *Report on Branch Mints*, 1872, p. 9. Professor J. Laurence Laughlin says that "the foreign dollars contained about 373½ to 374 grains pure silver." *History of Bimetallism in the United States*, 1897, p. 53, note.

a new mint ratio between silver and gold (16 to 1), which for several succeeding decades was destined to undervalue silver and to exclude from circulation not only all full weighted foreign coins, but the new American silver coins as well.

So it happened that for more than sixty years after the founding of the United States mint worn and mutilated foreign coins, mostly of Spanish origin, continued to form the larger part of the country's silver currency. In fact, these Spanish-American dollars with their divisional pieces were not only a familiar, but a legal means of payment in the United States throughout the period. They were declared by Congress on February 9, 1793, "a legal tender for the payment of all debts and demands," —a provision which was periodically renewed in succeeding sessions; and on January 25, 1834, after the Spanish countries of America had achieved their independence, it was specifically enacted that the dollars of Mexico, Colombia, Chile, and Peru, should likewise be made a legal tender. Not until February 21, 1857, did Congress make any serious effort to rid the country of this ignominious chaos of imported coins. Then, at last, all former acts making these pieces current were repealed, and rates were fixed at which the government would receive them for a certain period for reminting into American coins.

The year 1857 thus marks the first serious contraction in the field of activity of the Spanish-Mexican dollars. In that year North America was formally closed to the coins which had freely circulated there since the early years of its settlement.[1]

Nor was this the only measure which the American government adopted to restrict the sphere of the Mexican dollar. A few years later a more aggressive step was

[1] The Spanish and American coins ceased to have a legal standing in Canada in 1853. Chalmers, p. 188.

taken. The attempt was made to interfere with its circulation in the Far East by the introduction there of a new American "trade dollar," in some respects superior to that of Mexico and intended to compete with it. During the sixties the United States suddenly developed silver resources second only to those of Mexico; and Congress, desirous of assisting American mine-owners to secure an Oriental market for their product, in 1873 consented to their having their silver stamped at the government mint into coins adapted for the Eastern trade.[1] So great was the foreign demand for Mexican dollars at this time that they continually commanded a premium; and, as the Mexican government levied a tax of 8 per cent. upon their export,[2] there was every reason to believe that the new American coins, which could be freely exported, and which would be more accurate in mintage and superior in bullion value to the Mexican dollars,[3] would meet a real demand in the East, and might even supersede the Mexican coins in those parts. The ordinary American dollar, containing 371¼ grains of pure silver, had never been well received in China on account of its inferior content. So the new coins were to contain 378 grains, or ¾ of a grain more than the standard of the Mexican dollar. This would make them worth, at the ratio of exchange prevailing when the act was passed, a little more than $1.04 in gold, and would have the double advantage, it was thought, of rendering them acceptable in the Orient without danger of their invading the circulation at home.

[1] Adolf Soetbeer, a few years later, proposed that the German government similarly issue a trade dollar for Oriental use, as a means of facilitating the disposal of its surplus silver. *Bulletin de statistique et de législation comparée*, April, 1877, pp. 235-238.

[2] The export of silver dollars from Mexico had been subject to a tax ever since the conquest. From the year of Independence down to 1857 this tax stood at 3½ per cent. In that year it was raised to 6 per cent., and in 1872 it was raised again to 8 per cent., at which point it stood until its abolition November 1, 1882. Since this last date the export of coined silver has been free.

[3] See appended table, No. 3.

The new trade dollars, as had been expected, found a ready market in the East. At Hong Kong and the Straits Settlements, in French Indo-China, and at several Chinese ports they were made a legal tender along with the Mexican dollars; and the California mint soon found difficulty in turning them out fast enough to meet requirements. Within six years after the commencement of their coinage nearly 36 millions had been struck, and in January, 1877, the leading bankers in China reported that there was "evidence powerful enough to convince the most sceptical" that the United States trade dollar has been a success, predicting that "ultimately it will be current all over China."[1] The American dollar was thus making rapid inroads upon the territory of the Mexican dollar and threatening it with very serious competition in the Far East, when unanticipated conditions in America resulted in the abrupt cessation of its coinage and its ultimate withdrawal from the field.

The decline in the price of silver reached such a point in 1877 that the silver in a trade dollar was worth not only less than a gold dollar, but also less than the depreciated paper dollars which constituted the circulating medium of almost the entire country. As a consequence, large numbers of trade dollars began to appear in circulation. These trade coins really had no legal standing in the country, being neither an authorized tender for debts[2] nor receivable at the public treasury. In the eyes of the law they were only discs of metal assayed and stamped at the government mint for foreign use; but they bore on their face the words "trade dollar" and "United States

[1] Reports made by the Oriental Bank and the Hong Kong and Shanghai Banking Corporation, quoted in H. R. Linderman, *Money and Legal Tender*, New York, 1878, pp. 57-58.

[2] The act of February 12, 1873, which first authorized the coinage of the trade dollar, had included a list of subsidiary silver coins that were to have a legal tender power to the amount of five dollars. In this list the trade dollar was inadvertently included; but the mistake was rectified by a special act passed July 22, 1876, which removed its legal tender quality altogether.

of America," and it was not strange, therefore, that they were frequently given and taken at home at their face value. The confusion was aggravated in the following year, when Congress ordered the renewed coinage of the old standard silver dollar under the Bland-Allison act (February 25, 1878); for this meant that dollar pieces of even less intrinsic value were to circulate at par under governmental authority. If these smaller silver coins were to be everywhere receivable as equivalent to the gold dollar, it appeared but logical that the larger coins issued from the same mint should not be worth less.

Apprehending the increasing misuse of the trade dollar, the Secretary of the Treasury therefore ordered the discontinuance of its coinage on October 15, 1877; and the ban was lifted upon only a few occasions after that date, when small amounts were coined expressly for exportation. The trade dollars still outstanding in the country continued, however, to be a source of embarrassment, until finally, in 1887, Congress decided to get rid of the anomalous pieces altogether. An act was passed upon March 3 of that year authorizing the redemption and recoinage into standard silver dollars of all trade dollars presented during the succeeding six months. The government had coined in all 35,965,924 of them, of which 7,689,036 were withdrawn under the provisions of the act, a considerable number having been reimported after the passage of the act. The vast majority, however, seemed destined to remain in the Orient, unrepaired and unreinforced until time and use have accomplished their decay or the melting-pot has consumed them.

The Philippines.

The next and most recent encroachment which the American government has made upon the domain of the Mexican dollar dates from the Spanish-American War,

and culminated in the Philippine currency act of March 2, 1903. With the coming of the Spaniards in the sixteenth century, the coins of Spain began to circulate in the Philippines; and these coins, and later their successors of the Mexican Republic, have constituted almost the only currency in those islands since then. In 1877, to be sure, the import of foreign coins was prohibited in the Philippines; but as no dollar pieces, or pesos, were ever issued from the mint in Manila, and as few coins were sent out directly from Spain until 1897, the Mexican dollars, which still retained their power of legal tender, and which were being regularly smuggled into the islands with the knowledge or connivance of the customs officials, remained until 1903 the only monetary standard.

The advent of the Americans brought a very different currency system, based upon a gold standard, into close contact with the Mexican silver standard system; and some readjustment soon became inevitable. Rates of exchange between the money of the United States and the money of the new Oriental possessions were in continual movement, both on account of oscillations in the market value of silver and because the demand for Mexican dollars fluctuated in the contiguous Chinese markets. In December, 1898, for instance, the metallic content of the Mexican dollar had an average value of 46.6 cents. Then it began rising; and by December, 1900, it had risen to 50.5 cents. Then once again the process was reversed; and two years later, in December, 1902, it had sunk to the unprecedented average of only 37.8 cents.[1] Meanwhile the value of the Philippine money was also affected by the changing demand for Mexican dollars in adjacent countries,—demands which often could not be readily supplied because of the remoteness of the issuing mint.

[1] *Datos estadisticos preparados por la secretaria de hacienda y credito publico, especialmente para el estudio de la cuestion monetaria,* Mexico, 1903, Estado Num. 36.

In the autumn of 1900, to cite one instance, when more than $3,000,000 in Mexican silver were exported from the Philippines to meet the demands of the foreign forces in China, the exchange rate for the Mexican dollar rose very rapidly above its metallic value, only to fall again in a few months later with equal rapidity when the foreign forces in China were reduced. Under such conditions the efforts of the Philippine Commission to maintain the value of the Mexican dollar at fifty cents by temporary makeshifts, such as making appropriations in that money whenever it tended to fall in value and levying duties upon its export whenever it tended to rise, were predestined to fail.[1] The commission repeatedly urged upon Congress the necessity of providing a substitute for the Mexican dollar, which would continue uniform in its relation to the United States dollar, and which would be so distinctive in character as to impede its export from the islands. This was the advice also of Mr. Charles A. Conant, the special commissioner appointed to investigate the monetary conditions there, in his report to the Secretary of War dated November 25, 1901;[2] and eventually a plan along the lines of these recommendations was adopted by the American government.

The matter of remodelling the Philippine currency was debated in several sessions of Congress before a bill was devised upon which a majority of both houses could be persuaded to agree. The Senate for long inclined towards the conservative policy of issuing a substitute for the Mexican dollar without disturbing the existing silver standard,—an arrangement suggested by the English Bombay dollar then used in the Straits Settlements and at Hong Kong, of which we shall hear later on. A majority of the House, on the other hand, voted to introduce a gold standard and the complete American system

[1] See *Report of the Taft Philippine Commission*, made November 30, 1900.

[2] *Annual Report of the Secretary of War*, 1901, Appendix G.

of coins. The compromise which was eventually effected in the law of March 2, 1903, provided for the adoption of a gold standard, while leaving silver the circulating medium of the country. It made the gold coins of the United States a legal tender for all debts, but provided at the same time for the issue of a new American-Philippine peso of silver, weighing a trifle less than the Mexican dollar, and intended to take its place as the usual currency of the islands. This peso, which contained 3½ grains more silver than the standard American dollar, was made the legal equivalent of fifty cents in American money (although at the time the act was passed its bullion value was somewhat less than forty cents); and the commission was enjoined to preserve this parity by limiting the coinage, by selling foreign exchange, by creating a gold reserve through the issue of certificates of indebtedness, or by "such measures as it may deem proper," no requirement for redemption, however, being stipulated. The Secretary of the Treasury began at once to purchase silver for the new coins, the dies for which had already been prepared in anticipation of the passage of the act. The act was passed in March; but before the end of April the first shipments of pesos had been made, and by the end of 1903 more than 17 million pesos had been sent out. Governor Taft at once instructed all disbursing officers to make no payments in local or Mexican coins after July 1, 1903; and since January 1, 1904, the Mexican and Spanish silver has no longer been receivable for public dues.

The reorganization of the Philippine currency is being carried through with surprising expedition. Before the American occupation there was an amount of Mexican silver circulating in the islands variously estimated as between 20 and 40 million dollars, and there were in addition about six million especially coined Philippine dollars

of lighter weight, sent out by the Spanish government only a few months before the war began. Much of this coin has been shipped out of the country in anticipation of its demonetization: the rest will be purchased as bullion, and remade into new Philippine pesos. Meantime since January, 1904, the further importation of silver coins not upon a gold basis has been forbidden; and, beginning with October 1, 1904, a tax is to be levied upon all written contracts made payable in Mexican or Spanish coin, or other money not based upon gold. The substitution of the new money for the old is being accomplished with some difficulty, because many of the Mexican dollars weigh a trifle less than the Philippine pesos, and are thus preferred in making purchases or in settling debts to the heavier coins, for which a premium not infrequently can be obtained.[1] In the remote parts of the archipelago the process of getting rid of the old coin is not improbably a matter of years. Indeed, it is within the bounds of possibility that the price of silver should rise again above 64.1 cents per ounce, its nominal value at the present coining ratio of 32.25 to 1, so that the new pesos would be worth more as bullion than as coin. In that event the whole scheme of monetary transformation would fall through.[2] There is little likelihood, however, of such a recovery in the value of silver, and we may safely consider the Philippine coinage act of March 3, 1903, as marking another definitive stage in the contracting field of the Mexican dollar.

[1] *Fourth Annual Report of the Philippine Commission*, dated December 23, 1903, p. 47. See also the *Report of the Chief of the Bureau of Insular Affairs*, dated October 31, 1903, pp. 6-17.

[2] It was in anticipation of some such contingency that Mr. Conant advocated lowering the standard of the new coins to .835 instead of .900, so that it would not be profitable to melt or export them until the price of silver rose above 75 cents per ounce. See his *Report to the Secretary of War*, 1901, pp. 21-25.

Colonel Edwards, chief of the bureau of insular affairs in the War Department, maintains that under the present law the new coinage is in no danger until silver sells at 66 or 66½ cents. "I reach this figure by counting in the expense of transportation, melting, refining, and casting into bars, all of

One other step in the same direction, which is in part connected with the Spanish-American War, may be mentioned in passing; namely, the change of currency in Porto Rico. The Mexican dollars had furnished the principal currency for the island during a long period, but in 1895 the Spanish government undertook to supplant them by making a special issue of lighter coins to take their place and arranging favorable terms for their exchange. The new coins were made of the same weight and fineness as the Spanish pesos, and bore identical devices and mint-marks, except for the substitution of the words "Puerto Rico" in place of the name of the mother country. One hundred of these new coins of lighter weight were given for ninety-five of the Mexican, and about six million were exchanged in this way. The Mexican dollars were thus withdrawn from the island, but their successors were destined to endure only a brief period of service. With the accession of the American government they in turn were supplanted and demonetized; and under the act of April 12, 1900, the coins of the United States were substituted for them, at the rate of sixty cents in American money for one peso of Porto Rican coin.[1]

British Colonies in the Far East.[2]

If we turn now to the British colonies, we are confronted with a long series of tentative and more or less futile endeavors on the part of the British government to dislodge the Mexican dollars and to establish in their stead the British system of coins. In the former effort

which go to make up the total cost of reducing the coinage to merchantable shape as bullion."—*New York Evening Post*, September 14, 1903.

[1] See the *Report of the Military Governor of Porto Rico on Civil Affairs*, pp. 171-174, in House Documents, 56th Congress, 2d Session, 1900-01, vol. 14.

[2] The Spanish dollars circulated in England once for a brief period. In 1804, when the ordinary British silver had been driven out of circulation by the notes issued under the Restriction Act, the Bank of England, with the

the government has only within very recent years achieved a fair measure of success: in the latter effort it has failed completely. If we look no further back than 1825, we find the home government in that year undertaking a systematic plan to force the new British silver coined under the act of 1816 into circulation throughout all of the colonies. The troops were everywhere to be paid in British money; and, in order to give this money general currency, rates were established at which it was to be received in place of the Spanish coin.[1] These orders were far too simple and sweeping to be widely effective, and they remained generally inoperative until the great discoveries of gold in California and Australia came to reinforce them. Then, as the relative value of silver rose, the full-weighted silver coins were everywhere forced out of circulation where gold and silver had been current side by side at a legal ratio. The depreciation of gold was not followed, however, in the British colonies in every case by the adoption of the British currency. In Canada, for example, the gold coins of the United States virtually became the standard; and in Newfoundland a gold standard of a quite peculiar two-dollar denomination was adopted. But it did have one primary effect. It accomplished the final exclusion of the Spanish and Mexican dollars from the British colonies in America, and except for the republics of Spanish America these coins henceforth were banished to the Far East.

In the British colonies of Hong Kong and the Straits Settlements the Mexican dollar has continued to dominate the circulation down to the present time, notwithstanding

consent of the government, had a considerable amount of Spanish dollars restamped and put in circulation. They were not given legal tender power as between individuals, but the Bank was obliged to receive them at the rate at which they were issued. Lord Liverpool, *A Treatise on the Coins of the Realm* (1805), chap. xxv. Illustrations of these restamped dollars may be found in J. L. Riddell, *A Monograph of the Silver Dollar* (1845), Figure No. 29.

[1] Chalmers, pp. 23-32.

the efforts of the British government to displace it. Great Britain came into possession of Hong Kong in 1841; and three years later British token silver was proclaimed to be the standard, the home government confidently expecting that shillings and pence within a brief period would take the place of dollars and cents in the new settlements. This anticipation was formed, however, without sufficient regard either to the character of the British coins or to the habits of the people concerned. Silver had seldom circulated among the Chinese except by weight; and, as the British silver had been deliberately underweighted in 1816, it was certain to be discounted by the Chinese, and the proclamation of 1844 was foreordained to remain ineffective. It eventually became evident, even to the authorities, that the Mexican dollars were not to be displaced by this sort of legislation; and a new plan was devised, intended to establish a British currency in the Far Eastern colonies without altering the denomination of the coins then in use. In 1864 it was decided to open a local mint in Hong Kong, and to issue a British dollar of size and weight like the dollar of Mexico; and this was actually done two years later.

The coins issued from the Hong Kong mint for some reason or other contained nearly three grains less of pure silver than the standard Mexican coins, and for this reason and because of their unaccustomed devices they were not at the outset well received by the Chinese. It appeared that they could only be made to circulate at a discount. So, after two years of tentative experience with them, the colonial authorities became discouraged with the prospective results, closed the mint, and sold its machinery to the government of Japan. In the course of the two years only a little more than two million of the British dollars had been struck, and the experiment therefore cannot be said to have been very persistently

pursued. That the experiment might have succeeded, if persevered in for a longer time, is indicated by the fact that these identical dollars were subsequently accepted at par,[1] and still more by the recent success of quite similar issues.

The trading communities of the Straits Settlements and of Hong Kong have several times since then urged a repetition of the experiment; but not until 1895, nearly thirty years after, could the government be persuaded to make the attempt, the usual reason given for not doing so being the difficulty of furnishing coins at a price low enough to compete with the Mexican dollar. After the summer of 1893 there had been many complaints of a scarcity of Mexican dollars, the rating for which, with the fall in the price of silver, had risen materially above its bullion value. At the same time the Indian mints were without work because of the suspension of the rupee coinage. The occasion seemed peculiarly propitious for a renewal of the British dollar; and the government accordingly, by an Order in Council of February 2, 1895, authorized the mints of Bombay and Calcutta to strike dollar pieces for any bankers and merchants who might require them. The new coins, as regards weight and fineness, were to be modelled upon the old dollars of Hong Kong and the Japanese yen; and a uniform charge of 1 per cent was to be levied upon their issue. Two of the largest Eastern banks guaranteed the experiment by agreeing to take a minimum coinage of five million dollars annually; but it was hoped that the new money, when once established, would command a wide circulation, not only in Hong Kong and the Straits Settlements, but also, on account of England's wide trade relations, in countries not under the British crown. That their hopes have already been successfully realized is indicated by

[1] Chalmers, *op. cit.*, p. 376.

the amount of dollars coined in the intervening years.[1] More than 150 millions have been issued and exported to the English settlements on the Pacific; and, being of superior coinage and unabraded, they have come into circulation in all of the great markets of the Extreme Orient. They constitute to-day, in fact, the most serious rival which the Mexican dollar has ever encountered in those ports.

Meanwhile the fractional silver coins of 50, 20, and 10 cent denominations, issued at the mints of London and Birmingham for the colony of Hong Kong, have also been making inroads upon the territory in the neighborhood of Hong Kong that hitherto has belonged to the Mexican coins. Over 23 million dollars in these coins have been sent out within the past ten years, and the Chinese seem actually to prefer them because of their newness and unimpeachable purity to their own copper cash or the other foreign silver.

In the Straits Settlements a still further step has just been taken towards the extinction of the Mexican dollar. For a number of years the matter of introducing a gold standard in the Settlements and the Federated Malay States has been mooted, and in 1902 the Colonial Office appointed a committee to consider the expediency and practicability of such a change. This committee reported in March, 1903, recommending the gradual introduction of "a special Straits dollar of the same weight and fineness

[1]
Fiscal years.	*Number of dollars.*
1895–96	3,316,063
1896–97	6,135,617
1897–98	21,286,427
1898–99	21,545,564
1899–00	30,743,159
1900–01	9,464,991
1901–02	27,198,656
1902–03	31,671,117
Total 8 years	151,361,594

From the annual reports of the deputy master and comptroller of the mint, London.

as the British dollar at present current in the East, to be substituted for the Mexican and British dollars, the latter dollars being demonetized as soon as the supply of new dollars is sufficient to permit of this being done in safety." When this condition has been attained, the procedure recommended is exactly the same as that which was followed in British India. "The coinage of dollars would cease until the exchange value of the dollar had reached whatever value in relation to the sovereign might be decided on by the government as the future value of the Straits dollar," and then "the Straits government would issue the new dollars in exchange for gold, and at the fixed rate."[1] The proposals of the committee were almost immediately adopted. On June 25, 1903, an order was issued for the coinage of a new Straits Settlements dollar, to be of weight and fineness like the Bombay dollars, but to bear distinctive inscription and devices. A few weeks later the new dollars began to be struck at the Indian mints, and the first consignment of new coins reached the Straits in October, 1903. Upon October 2 the further importation into the colony of Mexican or British dollars or of Japanese yen was prohibited, the export of the new local dollars being made illegal at the same time. The next step will be the demonetization and reminting of the silver coins now circulating in the country; and then we may expect a halt in the proceedings, in the expectation that the new dollars will rise to a fictitious value in exchange for English gold, as the rupee rose in British India after the suspension of its coinage in 1893. The exact rate at which the par of exchange will eventually be fixed has not yet been announced, but it is generally surmised that it will be at two shillings,—a rate

[1] *Report of the Straits Settlements Currency Committee* [Cd., 1,556], 1903, pp. 12-13. Many details as to the situation in the Straits Settlements can be found in the *Minutes of Evidence and Appendices* [Cd., 1,585].

virtually the equivalent of that recently adopted in the Philippines.

The execution of this plan will mean the complete exclusion of the Mexican coins from another extensive region in which they have long held sway; and the change will affect not only the Straits, but also many of the surrounding native states which constitute the *Hinterland* of the Straits, whose trade is principally with that colony and whose people are naturally co-users of the Straits currency.[1] In fact, the new laws regarding the Straits currency were stretched to cover the Federated Malay States by a series of enactments and proclamations even before the end of 1903.[2] The influence of the change is likely to be still more extensive in that similar methods may be adopted in some of the other English colonies of the Orient, and will not improbably be followed in neighboring countries as well. As we shall see, an almost identical plan seems about to be adopted in the French Oriental possessions, to which we shall next direct attention.

INDO-CHINA.

The monetary history of the French colonies in China runs closely parallel to that of the English colonies which we have just sketched. Here, again, we have a region in which the Spanish and later the Mexican dollars had long circulated side by side with native currency; and here, again, we find the dominant European power undertaking to displace the Mexican coins, first by attempting to force its own money into circulation, then by issuing an imitation of the Mexican dollar, and now at last by the proposed adoption of a gold "exchange standard." France came into possession of Cochin China in 1862; and

1 August Huttenbach, *The Silver Standard and the Straits Currency Question*, Singapore, 1903, pp. 102-103, 127-128.

2 See, for instance, the order cited in the *Report of the United States Commission on International Exchange*, p. 294.

the following year her coins were given legal tender power there, and began to be paid out by her disbursing officers. They never attained a wide currency, however; and when, a few years later, the depreciation of silver set in, they were of so much greater value in France, where they retained their fictitious power of exchange, that they were no sooner brought into the colonies than they were re-exported. Moreover, the trade of Cochin China, and of Annam and Tongking, regions which were later annexed, was for the most part with the ports of China, Singapore and Hong Kong, where the French coins were unavailable and where the Mexican dollars were the usual medium of exchange, and were continually being exported and imported in settlement of trade balances. The futility of the efforts to substitute the French currency system eventually became clear to the French home government, very much as the similar situation in the English colonies had a few years before become clear to the English government, and France then fell back upon the expedient which England later tried. With the recognition of the expediency of retaining the dollar currency the question arose whether a French dollar might not be substituted for those of Mexico and the United States then current in the country. The coinage might in this way still be made to affirm the sovereignty of France, even if the usual French coins could not be made to circulate. The experiment was undertaken tentatively in 1879 with the issue of fractional pieces of the dollar.[1] Then in 1885 a French *piastre de commerce* of identical weight with the American trade dollar began to be struck. Like its American prototype, the French trade dollar was favorably received both on account of its accurate fabrication and its superior weight, which somewhat exceeded that

[1] E. Zay, *Histoire monétaire des colonies françaises d'après les documents officiels*, Paris, 1890, pp. 116-123; Aug. Arnauné, *La monnaie, le crédit, et le change*, 2d edition, Paris, 1903, pp. 291-328.

of the Mexican dollar and the Japanese yen. This slight surplus, however, which rendered the French dollars popular among the Chinese, was in fact a serious shortcoming as regards their circulation; for, although 13,170,471 were struck during the next decade, scarcely any were ever seen, the majority being hoarded or melted down by the Chinese. Upon this account in 1895 the weight of the French dollar was reduced below the standard of the Mexican coin and almost to that of the yen; and since then the French dollar, like the British dollar, has developed into a formidable rival for the coins of Mexico. In the period since the new French dollar began to be issued in 1895 down to December 31, 1903, as many as 44 million[1] of these pieces had been struck; and they appear now to circulate freely and without friction alongside of the other dollars.

Within recent months, in Indo-China as in the Straits Settlements, a further step has been in contemplation. Plans have been debated for bringing the currency around to a gold standard upon the lines of the currency reforms in British India and the Straits Settlements; and, if the changes now under consideration are adopted and successfully carried through, it will soon be a question, not merely of increasing competition for the Mexican dollars, but of their supersession and legal exclusion from still another large tract in the Orient.[2]

[1] The total issue of the second series of French trade dollars is as follows: —

1895	1,782,012
1896	11,858,018
1897	2,511,128
1898	4,303,953
1899	4,681,244
1900	13,318,856
1901	3,150,000
1902	3,326,534
1903	10,076,893
Total 9 years	55,008,638

From the *Bulletin de statistique et de législation comparée.*

[2] See the articles of Paul Leroy-Beaulieu in the *Économiste français* for January 10 and 17, 1903; also the *Report of the United States Commission on*

JAPAN.

Japan represents another of the Oriental countries in which the Mexican dollar was for long firmly intrenched, resisting repeated efforts made to exclude it, but from which it has at last been completely driven within the course of the past twenty years. When the newly constituted government of Japan some thirty years ago set about the reorganization of the currency, and established a mint at Osaka, with the machinery purchased from the British government after the fiasco at Hong Kong, they were confronted with the universal employment of the Mexican dollar. Though desirous of establishing the currency upon a gold standard, the government thought it necessary to yield to the general predilection for the familiar silver dollar, but hoped to meet the demand for it with a coin of local mintage. They provided in the act of May 10, 1871, for the issue of a silver coin to be known as the *yen*, of size and quality like the dollar of Mexico, and gave it the power of legal tender in the treaty ports, intending that it should take the place there of the familiar Mexican coin. The yen, like the Hong Kong dollar of 1866, in reality contained about three grains less of pure silver than the standard Mexican dollar, and, when a few years later it was observed that foreign coins still circulated, the situation was at once attributed to the underweighting of the yen. The Japanese upon this account in February, 1875, raised the weight of their coins from 416 to 420 grains, the weight of the successful American trade dollar, at the same time changing the name of *yen* to *boyeki gin*, or trade dollar. The experiment proved futile as a means of expelling the undesired pieces. It had in fact just the contrary effect, of attract-

International Exchange, Appendix H, pp. 379-391. The various decrees and ordinances regulating the currency of Indo-China, issued between 1862 and 1900, may be found in the *Rapport du directeur de la monnaie au ministre des finances. Septième année*, 1902, pp. 378-425.

ing them to Japan in exchange for the heavier Japanese coins; and in 1878 the government decided to suspend the further coinage of the trade dollar and to revert again to the issue of the lighter yen. At the same time they gave to that coin full legal tender power throughout the country.

During the years which followed, as the value of silver declined, the Japanese mint was called upon to coin larger and larger amounts of that metal; and the yen grew more and more familiar and more and more popular. It became in fact a doughty rival of the Mexican dollar, not merely in Japan, but in all of the great entrepôts of the Far East. Being of superior design and less frequently counterfeited, it enjoyed peculiar credit throughout the Orient; and before the appearance of the Bombay dollar in the middle nineties the Japanese silver coins were probably the most familiar of all coins in the Straits Settlements and the Malay archipelago,[1] and were freely current also in most of the ports of China, Korea, Indo-China, and Siam. Between 1871 and 1897 more than 165 millions of them were issued, and of this total more than 110 millions had been sent abroad. So, while the Japanese yen gradually ousted the Mexican dollars from the Japanese trade centres, at the same time they had invaded much of the territory which hitherto had been the exclusive domain of the Mexican coins.

Just at this juncture, when the Japanese silver yen had conquered so many of the markets of the East, the Japanese stopped their coinage, and at the same time took steps towards their demonetization within the boundaries of Japan. The fluctuations in the price of silver had for long rendered trade with Europe and America exceedingly

[1] See Count Matsukata Masayoshi, *Report on the Adoption of the Gold Standard in Japan*, Tokio, 1899, pp. 248–306. Upon the general subject of Japanese currency this work and Count Matsukata's *Report on the Post-bellum Financial Administration of Japan* (Tokio, 1901) are the best authorities.

unreliable, and for years the government of Japan had had under advisement the possible adoption of a gold standard. The receipt of the indemnity money from China after the war of 1894–95 at last made this possible; and in March, 1897, a law was promulgated declaring a new gold coin thereafter to be known as the yen to be the standard unit, and restricting the future coinage of silver to underweighted coins of subsidiary denominations. The coinage of the silver yen, which had found so ready a market from one end of the Orient to the other, thus came to an end. Those of the coins which had remained within the country—about 46 millions in all—were redeemed in gold, and were either made into subsidiary silver or sent abroad for sale in Hong Kong, Shanghai, and elsewhere. After the 31st of April, 1898, the circulation of the silver yen in Japan was prohibited; and after July, 1898, it was no longer acceptable by the government for taxes or public dues.

In the course of two decades the Mexican dollar had been driven from Japan, and there had even ceased to be in that country any coin of equivalent size and denomination. Yet in the mean time Japan had injected into the Oriental trade the greatest number of competing coins that the Mexican dollar had ever encountered up to that time. It might be added, in passing, that in the newly acquired territory of Formosa[1] the Mexican dollar and the Japanese yen also ceased to be legal tender after 1897–98, and that the gold standard coins of Japan were installed in their stead.

CHINA.

If we turn last of all to China, we find even here the sway of the Mexican dollar meeting challenge in our day. Ever since the sixteenth century, when the Spanish dol-

[1] **Matsukata**, *The Adoption of the Gold Standard in Japan*, pp. 379–389.

lars were introduced from the Philippines, these coins have been widely used. The Chinese government until very recently had never issued silver coins of its own, but local rulers and well-known firms had authenticated the standard of the foreign coins and given them a local character by marking them with a special stamp.[1] The coins by far most familiar to the Chinese were those of Spain and Mexico, circulating by weight, and often stamped or chopped by their indorsers beyond all possibility of recognition. During the past decade, however, these Mexican dollars have been subjected to competition in China, not only with the British dollars and Japanese yen, but also with local issues, very much as they have in other countries. Various of the Chinese provinces have established their own minting machinery, and have begun to turn out local coins in imitation of the Mexican dollars. The first such mint was opened in Canton in 1890, but to-day similar provincial establishments are coining dollars at Foochow, Nankin, Chungking, Tientsin, Moukden, and Kirin;[2] and in April, 1903, an imperial edict provided for the establishment of a national mint in Peking to issue uniform coins for the whole empire.[3] The coins as yet struck in the local mints have been unreliable as to weight and fineness, and we have no complete record as

[1] Upon the general subject of Chinese currency see H. B. Morse, "Currency and Measures in China," in the *Journal of the China Branch of the Royal Asiatic Society*, vol. xxiv. (1888-89); Talcott Williams, " Silver in China," in the *Publications of the American Academy of Political and Social Science* for May 8, 1897; J. Edkins, *Chinese Currency*, Shanghai, 1901; and the article of Consul-general Jernigan in the *History of Banking in All Nations*, New York, 1896.

[2] *Report of the Director of the Mint*, 1902, p. 280.

[3] *Ibid.*, 1903, p. 217.

In the commercial treaties recently concluded with China by Great Britain (September 5, 1903), the United States (October 8, 1903), and Japan it was distinctly stipulated that China "take the necessary steps to provide for a uniform national coinage." *Report on the Introduction of the Gold Exchange Standard into China and Other Silver-using Countries, submitted to the Secretary of State October 1, 1903, by the Commission on International Exchange*, pp. 201, 221, 224.

to their amounts. They appear to have met with little success in supplanting the Mexican dollars. With the opening, however, of a carefully regulated imperial mint maintaining an unvarying standard, and the adoption of these national coins by the various treasuries for purposes of public revenue and expenditure, the eventual supersession of the Mexican dollar within its last Oriental stronghold may be confidently expected. Should the suggestion of the American Commission on International Exchange, that China issue at once 200 million such coins, be adopted, this outcome will be attained in a very short time.[1]

In a future, then, which is not remote, the Mexican dollar will cease to fulfil the functions of an international coin, which it has performed without interruption for nearly four centuries. The coins which have served so long as money for most of the peoples of Eastern Asia, in the British possessions of North America, in the Spanish West Indies, and elsewhere, will no longer be current outside of the Mexican boundaries. Nearly half a century has already elapsed since these coins were banished from the United States and Canada, but until within a decade they had held their own in the Orient. One by one in the East rival dollars have appeared, lived for a brief day, and disappeared. The British dollars of Hong Kong were issued for only two years (1866–68); the American trade dollars survived for fourteen years (1873–87); and, last and most formidable of all, the Japanese yen were issued for twenty-six years (1871–97).

Two rival dollars of importance continue to be coined and used through the Orient to-day,—the British dollars of Calcutta and Bombay and the French piastres of Indo-China; but the expulsion of the Mexican dollar must be credited not so much to the competition of these silver coins as to the swift and all-pervading drift of the

[1] *Report of Commission*, p. 52.

Orient towards a gold standard, which threatens the extinction of the Mexican and the competing dollars alike. The already accomplished adoption of gold as a standard in Japan and in the Philippines has virtually excluded the hitherto familiar coins from those regions; and the prospective changes now hanging fire in the Straits Settlements, Indo-China, and even in the Chinese Empire itself, will probably seal the doom of the Mexican dollar throughout the rest of the East. The coin which has literally been a "universal unit," known in every region of the earth, will soon have only a local range; and what is more, as we shall presently see, it is not unlikely that even in Mexico it will be superseded, or become erelong only a subordinate and overvalued token.

MEXICO.

The general movement which we have been observing would seem destined to leave Mexico isolated as regards her currency and seriously crippled as regards the most important factor in her export trade. But Mexican financiers have for some time foreseen the situation which was impending, and the government has wisely done what it could to provide against such contingencies. Since early in 1903 monetary commissions and sub-commissions appointed by the government have been busily investigating plans of currency reform for Mexico which will bring her monetary system into line with those of most of the great trading nations, and they have been spreading before her public bewildering arrays of figures and data relevant thereto.[1] The proposal has now been made by

[1] The following volumes have been issued by the *Comision Monetaria:* —

Datos para el estudio de la cuestion monetaria en Mexico, 1903.

Datos estadisticos preparados por la secretaria de hacienda y credito publico, especialmente para el estudio de la cuestion monetaria, 1903.

Datos sobre rentas de fincas urbanas in la ciudad de Mexico, 1903.

An excellent account of the Mexican currency problems has been written by the secretary of the commission, Sr. Jaime Gurza, *Apuntes sobre la cues-*

one of these commissions to close the mints to the free coinage of silver, to prohibit the reimportation of the present silver dollars, and to issue in their stead a new dollar, which for the future is to be maintained at a stable ratio with gold by some such system as that which the United States has put in operation in the Philippines. Whether, however, legislative approval for these proposals can be secured is a matter so doubtful that the *dénouement* of the present agitation cannot as yet be safely surmised.

Meanwhile the Mexican government has taken steps in another line, and has adroitly promoted measures aimed to restrict the losses which her mine-owners were likely to suffer through the dwindling export of silver dollars. The general adoption of a gold standard in the Orient threatened to reduce the market not merely for the coins of Mexico, but for her uncoined silver as well, and suggested the grim possibility of an even further decline in the value of that metal. An outlook so portentous for Mexico's leading industry called for immediate action; and the Mexican government met the situation shrewdly, though, as it proved, ineffectively. Her officials plainly saw that, if the Oriental governments and the European powers, especially those having dependencies in the Orient, could be induced to purchase and coin silver in regularly continued amounts, notwithstanding their adoption of a gold standard, the foreign demand for Mexican silver might survive the extinction of the Mexican dollar, and the price of silver might be saved from a further decline. The American government was accordingly approached by Mexican representatives, and solicited to co-operate with the other countries concerned through diplomatic channels in an effort "to restore and

tion de la plata en Mexico, Durango, 1902. This is also republished in the first volume of the Commission's *Datos* mentioned above.

maintain a fixed relationship between the moneys of the gold standard and the silver-using countries," and after various manœuvres the American Congress was induced in March, 1903, to make an appropriation for this purpose. The upshot was the appointment of the "United States Commission on International Exchange," which, accompanied by a similar delegation from Mexico, visited the leading European capitals during the summer of 1903, with a number of proposals for the stabilizing of exchange rates between gold and silver using countries. The suggestions advocated by the American commission were of two sorts. First, they proposed the inauguration in China of a uniform silver coinage, to be maintained at a fixed ratio with gold,—a plan which required that China should "coin as rapidly as possible 200,000,000 silver coins . . . about the size of a Mexican dollar."[1] Second, they proposed that the powers co-operate in maintaining the price of silver by agreeing for a period of years in advance to purchase regular amounts of bullion. The Mexican delegates even went so far as to suggest the exact amounts which each government should purchase, the combined engagements to aggregate an annual total of 96,000,000 ounces.[2] Either of these plans, if realized, would help to prop the sinking value of silver, would promote greater stability of exchange with the remaining silver-using countries, and incidentally would be of benefit to the silver-producing interests of the world. Unfortunately, however, for those concerned, the voluminous arguments of the American delegates aroused only a lukewarm interest. The British representatives made no reply other than by a series of vague and general resolutions, occupying less than a third of a page.[3] The French commission replied with more elaboration, but expressed dissent from almost every detail of the American plan.

[1] *Report of Commission*, p. 52. [2] *Ibid.*, pp. 187-188, p. 129. [3] *Ibid.*, p. 141.

Brief and variant opinions were also received from the delegates of Russia, Germany, and Holland.[1]

As regards the reform of the Chinese currency (a proposition which after all was not an affair of direct concern to European governments) there was little objection upon general principle; but there were many misgivings, reservations, and differences of view as to method. Concerning the second proposition, that the various governments should make regular purchases of silver, the French delegates thought it "dangerous" and "useless to dwell on"; the British delegates opined that it "might be adopted as far as possible in each country, subject to its monetary policy and convenience"; the delegates of one or two other countries courteously acceded to its principle. But no government seems likely to take any step towards its practical adoption.

The efforts of the Mexican government to secure international assistance in support of the silver market seem to have been without avail. Mexico remains to-day still confronted with a contracting market for her leading export and with one of the knottiest of money problems to disentangle.

A. PIATT ANDREW.

1 *Report of Commission*, pp. 146-162. The following passage from the French report well illustrates the attitude of the French commission: "In order to maintain the commercial quotations of silver, the producing countries invite the consuming countries to give regularity to the demand, while they declare themselves unable to give regularity to the supply. It is useless to dwell on the unusual character of a proposition which tends to invite on the part of Europe an intervention contrary to all economic principles to fix the price of a commodity at the very moment when it is declared that fidelity to these same principles prevents the giving of regularity to production."

TABLE 1.

PRODUCTION OF SILVER.

Estimated Output of Silver in the Principal Silver-producing Countries. In Kilograms (000 omitted).

	1493 to 1850.	1851 to 1875.	1876–1900.	1493–1900.
Mexico	63.657	12.548	27.097	103.302
Bolivia	35.064(?)	2.650(?)	4.260(?)	41.974
Peru	29.432(?)	1.790(?)	2.570(?)	33.792
Austria-Hungary	6.861	.909	1.338	9.108
Germany	5.850	2.055	4.372	12.277
Russia	2.031	398	251	2.680
United States		5.271	35.071	40.342
Other countries	6.932	5.383	16.805	29.120
Total world's production	149.827	31.004	91.764	272.595

This table is compiled for the earlier periods from the estimates of Soetbeer and Lexis, and for the later periods from the mint reports of the United States and France. Although many of the figures are uncertain and have been differently estimated in other investigations, I find no variations which would seriously affect the relative positions of the different countries, as contributors to the world's silver supply.

TABLE 2.[1]

EXPORTS OF MEXICO.

Fiscal years.	Total exports in Mexican dollars. (000 omitted)	Exports of silver in Mexican dollars. (000 omitted)	Percentage of silver exports to total exports.	Percentage of coined silver in silver exports.
1881–82	29,207	15,822	54.17	73.69
1882–83	41,919	28,601	68.22	80.72
1883–84	46,861	32,524	69.40	80.45
1884–85	46,812	32,878	70.23	77.47
1885–86	43,797	29,243	66.77	75.28
1886–87	49,330	33,041	66.98	67.26
1887–88	49,079	30,399	61.93	55.39
1888–89	60,380	38,157	63.19	59.87
1889–90	62,680	38,054	60.71	60.89
1890–91	43,426	35,489	81.72	49.98
1891–92	75,661	48,145	63.63	55.48
1892–93	88,045	55,479	63.01	48.97
1893–94	80,084	45,620	56.96	38.11
1894–95	95,020	48,138	50.60	35.47
1895–96	110,022	59,056	53.67	34.50
1896–97	117,784	59,578	50.58	24.47
1897–98	138,068	67,637	48.98	26.90
1898–99	148,454	67,281	45.32	20.98
1899–1900	158,248	63,584	40.17	17.10
1900–01	158,009	72,421	45.83	22.27
1901–02	168,041	59,582	35.45	19.05
1902–03	197,729	77,555	39.22	27.21

[1] This table is taken from the *Datos estadisticos preparados por la secretaria de hacienda y credito publico, especialmente para el estudio de la cuestion monetaria*, Mexico, *Palacio nacional*, 1903.

TABLE 3.

Silver Content of the Mexican Dollar and its Competitors

Name and date of origin.	Weight.	Fineness.	Pure silver.
Mexican dollar	$417\frac{15}{17}$ grs.	$902\frac{7}{9}$	$377\frac{1}{4}$ grs.
American standard dollar	$412\frac{1}{2}$	900	$371\frac{1}{4}$
American trade dollar (1873) . . .	420	900	378
Spanish 5 peseta piece / Spanish Philippine dollar (1897) .	$385\frac{4}{5}$	900	$347\frac{1}{5}$
American Philippine peso (1903) . .	416	900	$374\frac{2}{5}$
Hong Kong dollar (1866)	416	900	$374\frac{2}{5}$
Bombay and Calcutta dollar (1895)	416	900	$374\frac{2}{5}$
Straits Settlements dollar (1903) . .	416	900	$374\frac{2}{5}$
French trade dollar (1885)	420	900	378
French trade dollar (1895)	$416\frac{2}{3}$	900	375
Japanese yen (1871)	416	900	$374\frac{2}{5}$
Japanese trade dollar (1875) . . .	420	900	378
Austrian Maria Theresa dollar (1751)	433.	$833\frac{1}{2}$	361

TABLE 4.

Coinage of Silver Dollars.

Mexico. Silver coinage of all denominations.		
Colonial period, 1537–1821	2,082	million pesos
Since Independence, 1821–1903	1,466	" "
Entire period, 1537–1903	3,548	" "
Coinage of one-peso pieces, 1874[1]–1903 . . .	674	" "
Austria. Levant dollars, 1751–1903		146,863,395
United States. Standard dollars, 1792–1873		8,031,238
1878–1903		580,045,090
1792–1903		588,076,328
Trade dollars, 1873–1887		35,965,924
Philippine pesos, 1903		17,883,250
British India. Bombay and Calcutta dollars, 1895–1903,		151,361,594
Hong Kong. Dollar, 1864–68		2,108,054
Fractional silver, 1893–1902		23,550,000
Straits Settlements. Dollar, 1903		
Indo-China. French trade piastres, first series, 1885–1895,		13,170,471
French trade piastres, second series, 1895–1903		55,008,638
Japan. One yen pieces, 1871–97		165,133,170

[1] Statistics as to the number of these coins issued before this period are not available.